

About India:

A Summary of India's Culture, Destinations, Economy & Government

The country of India is one defined by extremes – extremes that are evident in the country's economy, government, history, geography, and technology. A basic understanding of India can greatly enhance your personal experience when you visit this diverse and fascinating country.

[History & Geography](#)

[The Culture](#)

[Do's and Taboo's](#)

[Attractions](#)

[India's Government](#)

[Economy](#)

[Banking System](#)

[Technology & Outsourcing](#)

[Suggested Internet Sites for Further Research](#)

History & Geography

India's Indus Valley civilization dates back at least 5,000 years. The region was invaded by Aryan tribes from the northwest in 1500 B.C. and the resultant merger of peoples created the historic Indian culture. The 8th century saw invasions from Arabs, Turkish incursions came in the 12th century, and the most recent occupation began with European traders beginning toward the end of the 15th century.

Britain's political control of India, which was acquired by the 19th century, came to an end in 1947 due in part to the nonviolent resistance led by Mohandas Gandhi. The Indian subcontinent was divided into the current-day India and Pakistan.



India's various states are defined by different geographies. The northern part of the country extends to the rocky and mountainous Himalayan Mountains. Slightly south lies an area that is highly populated, yet is suitable for farming and agriculture. South of this area is the Deccan Peninsula, which is home to a large forest area (25% of the peninsula is comprised of forests). The country's natural resources include coal, iron ore, manganese, mica, bauxite, titanium ore, chromite, natural gas, diamonds, petroleum, limestone, and arable land.

The climates of India are as varied as the lands they affect. In the northwestern corner of India lies a desert, which is home to extremely cold temperatures, at the "near-Arctic" level.

However, in the southern part of the country, the atmosphere is much more tropical. Yet another area is the northeastern corner of India, which is a hilly region that accumulates about 400 inches of rain each year.

India is the world's seventh largest country with approximately 1.05 billion inhabitants (growing at 1.5% per annum). India is about 1.3 million square miles in size (one-third the size of the U.S.) and is bordered by China, Nepal, Bhutan, Bangladesh, Pakistan, and Myanmar (otherwise known as Burma).

The Culture

India has a vast number of languages, religions, and cultures resulting from years of migration from neighboring countries. There are 407 languages, though only 18 are officially recognized. Hindi is the official language while English is the second state language. Because English is the authoritative, legislative and judicial language of the country, an important aspect of education in India is learning to speak English.

The country's population is 81% Hindu, 12% Muslim, 2.3% Christian, and 1.9% Sikh. Spawning from Hindu beliefs is the idea that everyone is responsible for their actions. This responsibility along with one's ethics is the foundation for happiness and social stability. Religion is the basis of India's caste system, which designates people into social categories based on their family background.

Few countries in the world have as many celebrations and festivals as India. There are almost 400 festivals and celebrations in India each year. Many are based on the Hindu religion, although the government has instituted several civil celebrations. The largest one is the Republic Day on January 26th. This includes a large parade, performances and dances from each region. It ends with fireworks in the evening.

Do's and Taboo's

There are some general rules that can be followed while in India to be respectful of the culture there:

- The traditional greeting is called "namaste." This is performed by placing the palms of one's hands together (like praying) below the chin, accompanied by a nod or bow and expressing the term "namaste."
- Public intimacy in India is frowned upon.
- The appropriate standing distance is about three to three-and-a-half feet apart.
- To ask someone to approach you, hold out your hand palm downward, and make a scooping motion with the fingers. Do not do this palm side up and moving one finger as this is considered an insult. Pointing a finger, whistling under any circumstance, grasping another person's ears, and winking are all considered inappropriate.
- Feet are considered unsanitary. Also, because Indians use their left hand for sanitary purposes, the left hand should be kept under the table when eating.
- Hospitality is a key part of doing business in India; most business discussions will not even begin until tea is served and there has been some preliminary "small talk."
- Tipping in India is used not only to reward competent service, but to ensure that "things get done."
- Indians are generally too polite to directly answer "no." Since the word "no" has harsh implications in India, evasive answers are considered more polite. For

example, if you have to decline an invitation, it's more acceptable to give a vague and noncommittal answer such as "I'll try" or "We'll see" rather than "No, I can't."

- There is a reverence for titles in India. For those without professional titles, use courtesy titles such as "Mr.", "Mrs.", or "Miss." Wait to be invited before addressing someone by his or her first name. First names are usually reserved for close friends.

Attractions

India has an extremely diverse array of tourist destinations that vary from historical landmarks to natural wonders and resorts designed for relaxation. While the length of your stay in India will determine how many of these experiences you can enjoy, here is a list of some of the more popular destinations.

To experience modern India in action, visit one of the major cities of India. **Mumbai (Bombay) and New Delhi** offer a look into modern India coupled with various opportunities to view national landmarks and art. **Hyderabad** (home of the historic Golconda Fort) and **Bangalore** (close to Mysore, home of one of the largest Indian palaces) offer a look at the current technology boom in India. These two cities host many technology companies and are also quite close to some of the country's natural wonders. In planning your hotel stays, consider staying at one of the several old palaces that have been turned into hotels. A good Indian hotel information web site can be found at www.travelmasti.com.

On everyone's list of places to visit is the **Taj Mahal**, which is most amazing at sunrise. The city of Agra is also home to many other monuments and gardens, so it is well-worth a full day's visit. Mughal emperors built the nearby Agra Fort, which is another interesting Agra site.

One hotel that should be on your list is the **Lake Palace Hotel in Udaipur**. This hotel was featured in the James Bond film "Octopussy." Located in the middle of **Lake Pichola** and only accessible by boat, this converted 1754 Palace is surrounded by hills, and is located adjacent to many historical landmarks and shopping districts. **Udaipur** and neighboring **Jaipur** are home to much of India's textile industry, and as such are great places to view puppet shows and purchase exquisite Indian fabrics.

In addition to historical wonders, India's **80 national parks** allow an exclusive view of the country's wildlife and flora. India also has **440 wildlife sanctuaries and 23 tiger reserves**. India is the perfect place to see rare wildlife in its natural environment as the country is home to 60% of the world's wild tiger population, 50% of Asian elephants, 80% of the one-horned rhinoceros, and the entire world population of the Asiatic lion. While much of the country's nature reserves are located in the less populous southern region, there are many interesting resorts located near the Himalaya mountain region in the north.

If you travel to India between September and March, a good way to break up a busy site-seeing schedule is to visit one of **Goa's** beautiful white sand beaches. The beaches of Goa rival any world-class tropical beach, and the cuisine and service at the local resorts are top-notch. If your stay in India is two weeks or longer, Goa makes a perfect place to stop and relax.

Finally, **The Tour India Website**, at www.tourindia.com, is a great resource for further information on India's attractions.

India' Government

According to the Indian Embassy, India is “a Sovereign Socialist Secular Democratic Republic with a parliamentary system of government.” India’s constitution was adopted in 1949 and has been in place since that time. The territories governed by India’s constitution include Andaman and Nicobar Islands, Andhra Pradesh, Arunachal Pradesh, Assam, Bihar, Chandigarh, Chhattisgarh, Dadra and Nagar Haveli, Daman and Diu, Delhi, Goa, Gujarat, Haryana, Himachal Pradesh, Jammu and Kashmir, Jharkhand, Karnataka, Kerala, Lakshadweep, Madhya Pradesh, Maharashtra, Manipur, Meghalaya, Mizoram, Nagaland, Orissa, Pondicherry, Punjab, Rajasthan, Sikkim, Tamil Nadu, Tripura, Uttaranchal, Uttar Pradesh, and West Bengal. India is the world’s largest democracy with a functioning judicial system independent of political interference.

The president, vice-president, and the council of ministers officially wield executive power. The president of India is the figurehead of the country, and is given instructions (or “advice”) by the prime minister, who leads a council of ministers (advisors). The parliament and the state governing bodies have control of the legislative branch of government. This body is made up of two houses (the Council of States and the House of the People) and the president.

India’s president is elected for a five-year term by an electoral college consisting of elected members of both houses of Parliament and the legislatures of the states. The next election will be held in July of 2007. The Prime Minister is elected by parliamentary members of the majority party following legislative elections.

Economy

India's economy includes traditional farming, modern agriculture, crafts, and many other modern industries and support services. Currently the U.S. dollar will translate into approximately 50 Indian rupees.

In 1991, India underwent an economic overhaul. An inward-focused strategy of economic development led to macro-economic imbalances, including massive debt that wasn’t sustainable by India’s growth rate at the time. India’s foreign exchange reserves dropped to less than U.S. \$1 billion, and the country was dangerously close to defaulting on its international commitments. All this resulted in India enacting the New Industrial Policy of 1991 that began dismantling India’s protectionist policies and replaced them with policies allowing private investment, easing licensing requirements, and fostering competition. Following the reforms, India has had one of the fastest growing economies, with growth in the 1990s averaging 6.5 percent annually.

This reform and growth has been achieved in a political environment that is more challenging than some other developing countries, hence reducing political risk. Heated debates may slow down the political reform process in India, though this also reduces the chances of policies being overturned, which limits political risk. All of India’s political parties acknowledge the importance of a stable economy and ongoing reforms, strengthening the goal of economic growth.

India’s current economic climate is quite strong. The country is one of the largest economies in the world, and the second most populous. India’s gross domestic product is about \$2.5 trillion and is growing at about 5%. India’s industries include textiles,

chemicals, food processing, steel, transportation equipment, cement, mining, petroleum, machinery, and software. In 2001, Indian exports were \$44.5 billion (with the majority, or 22.8%, going to the U.S.) and imports were \$53.8 billion. So, while 25 percent of the population is poor, economic growth is expected to help balance the distribution of wealth and create significant job growth.

India boasts some of the largest manufacturing sectors and pools of scientists, engineers, technicians, and managers in the world. India is the second-largest English-speaking country in the world, and 200,000 engineers a year emerge from the school system. These engineers are often willing to work for a third or less of what Western engineers demand. Mineral and agricultural resources are abundant, and India's history of having a market economy infrastructure has allowed a sophisticated financial sector to develop, with more than 9,000 companies listed on 22 stock exchanges.

India's economic reform process has deregulated the economy and helped stimulate domestic and foreign investments. Economic policies have been simplified to promote investment.

Another interesting aside about India's economy is that it has had the largest percentage of workforce employed directly in agriculture. In 2000, about 60 percent of the country's workers were involved in agriculture.

India has a large and diversified infrastructure and well-developed research and development, technical and marketing services. The country also has one of the world's most highly educated workforces, as evidenced by its leadership in information technology and software.

The 1991 Power Policy offers freedom and incentives to attract private sector investment in the Indian energy sector. Incentives are also being offered in oil and gas production, coal, communications, pharmaceuticals, physical infrastructure, aviation, and information technology, with 100 percent investment and delayed license fees available in many industries.

Banking System

The country has a developed banking system, including a banking network of more than 63,000 branches. India's central bank is the Reserve Bank of India. Public sector banks dominate India's banking industry and are accompanied by several private and foreign banks. About 25 foreign banks operate more than 150 branches in India. India's government-owned banks dominate the market. Bank performance is mixed, with only a few being consistently profitable.

The Reserve Bank of India supervises and administers exchange control and banking regulations and manages the government's monetary policy. The country's banking system has three levels including scheduled commercial banks (80), regional rural banks (200), and cooperative and special purpose rural banks.

Most Indian banks are behind foreign institutions when it comes to customer funds transfer and clearing systems. They are overstaffed and seem incapable of competing with new private banks. Commercial banks face restrictions on the use of their assets and liabilities. The Reserve Bank of India also requires that domestic Indian banks make 40% of their loans at special rates to priority sectors (like agriculture, exporters and small businesses) selected by the government.

Technology & Outsourcing

One area of focus for both India and foreign investors has been on information technology. This sector has been described as the engine of growth of the Indian economy. The Indian software industry is growing at a rate of more than 50 percent a year, and the country appears to be on track to achieve IT exports of U.S. \$50 billion by 2008. Approximately 10,000 Internet companies were established in India in 1999, and after years of experiencing a brain-drain effect, Indians are returning home to start and work for technology companies.

India offers automatic approval for foreign equity in software and almost all areas of electronics. Full-ownership by nonresidents is allowed for companies set up exclusively for export. India is the preferred location for software vendors in terms of quality and cost, according to a recent World Bank study. India has lowered import duties on many technology components to 20 percent from 110 percent.

In 2000, venture capitalists invested \$1.1 billion in India, 25 percent of which went to Bangalore, the fastest growing city in Asia and India's version of Silicon Valley.

Research firm Gartner Inc. last year said more American firms are looking at India for outsourcing because of quality work at low cost. India's IT sector had export sales of almost \$8 billion in 2001, 60% of which came from the U.S. That amount was expected to hit \$9.6 billion in 2002.

Suggested Internet Sites for Further Research

Tourist Sites:

www.indiahotelsandresorts.com/travel-services/about-us.html - hotels

www.mapsofindia.com – tourist destinations

www.tourindia.com – tourist destinations

www.travelmasti.com - hotels

www.holiday-planners-india.com - travel planners

Country Statistics and General Information Sites:

<http://www.cia.gov/cia/publications/factbook/geos/in.html>

<http://www.indiaonestop.com/gnp.htm#Domestic%20Product>

<http://www.geoinvestor.com/statistics/india/economicdata.htm>

<http://iic.nic.in>

www.indianembassy.org

www.morebusiness.com/running_your_business/management/d930585271.brc

Cultural Sites:

<http://meadev.nic.in/culture/overview.htm>

http://www.lonelyplanet.com/destinations/indian_subcontinent/india/culture.htm

<http://www.sscnet.ucla.edu/southasia/Socissues/socreal.html>

http://www.culturopedia.com/Languages/language_intro.html

<http://www.executiveplanet.com/business-etiquette/India.html>